
Spendometer Talking Points:

“Government programs, once launched, never disappear. Actually, a government bureau is the nearest thing to eternal life we’ll ever see on this Earth.”

- Ronald Reagan, 10/27/1964

Democrats want to spend more and raise taxes to pay for it. Republicans are about growing the economy; the Democrats are about growing the government.

- Last year during the budget process Democrats proposed spending amendments totaling around \$400 billion.

Republican pro-growth policies are creating jobs and strengthening the economy

- 262,000 jobs were created in February
- 21 straight months of job gains
- Over 3 million jobs have been created since May 2003
- More Americans are working than ever before

The number one reason we now have deficits is the economy slowed down, Republican pro-growth economic policies have spurred the economy.

- Stronger economy last year led to revenues into the government increasing 9%.
- Last year at this time, the deficit was projected to be \$521 billion deficit for Fiscal Year 2005. We ended last year with a \$412 billion deficit – a one-year reduction of \$109 billion – or about 20 percent.
- Deficit forecast to fall from 3.5% of GDP in 2005 to 3% in 2006, and to 1.5% by 2009 – well below the 40-year historical average of 2.3% of GDP.

Source: Senate Republican Conference



The 2006 Budget Resolution:

Cuts the deficit in half within five years.

Meets the President’s goal of halving the deficit from the projected 2004 level of \$521 billion and 4.5 percent of GDP. The budget reaches half in nominal terms by 2008 at \$258.2 billion and as a percent of GDP by 2007 at 2.2 percent.

Fully funds the President’s requests for defense and homeland security.

Provides \$439 for overall defense spending, which represents an \$18.2 billion increase, or 4.3 percent. Provides an increase of \$1.1 billion, or 3.9 percent, for total homeland security spending of \$29.1 billion. The Budget Resolution includes a \$50 billion contingency fund for ongoing costs associated with the wars in Iraq and Afghanistan.

Maintains job-creating tax policy.

Provides for extending current tax policy such as dividend and capital gains rate reductions throughout the five-year budget and includes a reconciliation instruction allowing for quick consideration of \$70.2 billion in tax cuts.

Strengthens budget enforcement tools.

Sets three years of discretionary caps, creates a new point of order against long-term spending, strengthens points of order against unfunded mandates on states and extends other budget enforcement tools.

Provides resources for important education, energy, welfare and pension policy.

Includes funds to increase Pell Grants, extend and improve higher education programs, enact a comprehensive national energy policy, extend welfare programs and strengthen the federal pension guarantee fund for retiring workers.